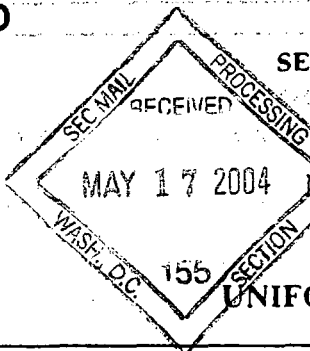


FORM D

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM D

NOTICE OF SALE OF SECURITIES
PURSUANT TO REGULATION D,
SECTION 4(6), AND/OR
UNIFORM LIMITED OFFERING EXEMPTION



04029671

SEC USE ONLY

Prefix Serial

DATE RECEIVED

Name of Offering (☐ check if this is an amendment and name has changed, and indicate change.)**Common share offering**Filing Under (Check box(es) that apply): ☐ Rule 504 ☐ Rule 505 ☒ Rule 506 ☐ Section 4(6) ☐ ULOEType of Filing: ☒ New Filing ☐ Amendment**A. BASIC IDENTIFICATION DATA**

1. Enter the information requested about the issuer

Name of Issuer (☐ check if this is an amendment and name has changed, and indicate change.)**AIFAM ASSOCIATES EQUITY, INC.**Address of Executive Offices (Number and Street, City, State, Zip Code) Telephone Number (Including Area Code)
1911 Long Mont Circle, Missouri City, TX. 77489 (281) 261-9692Address of Principal Business Operations (Number and Street, City, State, Zip Code) Telephone Number (Including Area Code)
(if different from Executive Offices)

Brief Description of Business

Real Estate Investment Trust**PROCESSED****MAY 21 2004**

Type of Business Organization

☒ corporation ☐ limited partnership, already formed ☐ other (please specify):
☐ business trust ☐ limited partnership, to be formed
**THOMSON
FINANCIAL**Actual or Estimated Date of Incorporation or Organization: Month Year ☐ Actual ☒ Estimated
0 6 0 4Jurisdiction of Incorporation or Organization: (Enter two-letter U.S. Postal Service abbreviation for State:
CN for Canada; FN for other foreign jurisdiction)**T X****GENERAL INSTRUCTIONS****Federal:****Who Must File:** All issuers making an offering of securities in reliance on an exemption under Regulation D or Section 4(6), 17 CFR 230.501 et seq. or 15 U.S.C. 77d(6).**When To File:** A notice must be filed no later than 15 days after the first sale of securities in the offering. A notice is deemed filed with the U.S. Securities and Exchange Commission (SEC) on the earlier of the date it is received by the SEC at the address given below or, if received at that address after the date on which it is due, on the date it was mailed by United States registered or certified mail to that address.**Where to File:** U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.**Copies Required:** Five (5) copies of this notice must be filed with the SEC, one of which must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.**Information Required:** A new filing must contain all information requested. Amendments need only report the name of the issuer and offering, any changes thereto, the information requested in Part C, and any material changes from the information previously supplied in Parts A and B. Part E and the Appendix need not be filed with the SEC.**Filing Fee:** There is no federal filing fee.**State:**

This notice shall be used to indicate reliance on the Uniform Limited Offering Exemption (ULOE) for sales of securities in those states that have adopted ULOE and that have adopted this form. Issuers relying on ULOE must file a separate notice with the Securities Administrator in each state where sales are to be, or have been made. If a state requires the payment of a fee as a precondition to the claim for the exemption, a fee in the proper amount shall accompany this form. This notice shall be filed in the appropriate states in accordance with state law. The Appendix to the notice constitutes a part of this notice and must be completed.

ATTENTION

Failure to file notice in the appropriate states will not result in a loss of the federal exemption. Conversely, failure to file the appropriate federal notice will not result in a loss of an available state exemption unless such exemption is predicated on the filing of a federal notice.

A. BASIC IDENTIFICATION DATA

2. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;
- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer;
- Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and
- Each general and managing partner of partnership issuers.

Check Box(es) that Apply: ☒ Promoter ☐ Beneficial Owner ☒ Executive Officer ☒ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)

Gandy, Robert

Business or Residence Address (Number and Street, City, State, Zip Code)

1911 Long Mont Circle, Missouri City, TX. 77489

Check Box(es) that Apply: ☒ Promoter ☐ Beneficial Owner ☒ Executive Officer ☒ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)

Wilkins, Bridgette

Business or Residence Address (Number and Street, City, State, Zip Code)

1911 Long Mont Circle, Missouri City, TX. 77489

Check Box(es) that Apply: ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer ☐ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer ☐ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer ☐ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer ☐ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer ☐ Director ☐ General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

B. INFORMATION ABOUT OFFERING

1. Has the issuer sold, or does the issuer intend to sell, to non-accredited investors in this offering? ☒ Yes ☐ No
Answer also in Appendix, Column 2, if filing under ULOE.
2. What is the minimum investment that will be accepted from any individual? **N/A**
3. Does the offering permit joint ownership of a single unit? ☒ Yes ☐ No
4. Enter the information requested for each person who has been or will be paid or given, directly or indirectly, any commission or similar remuneration for solicitation of purchasers in connection with sales of securities in the offering. If a person to be listed is an associated person or agent of a broker or dealer registered with the SEC and/or with a state or states, list the name of the broker or dealer. If more than five (5) persons to be listed are associated persons of such a broker or dealer, you may set forth the information for that broker or dealer only..

Full Name (Last name first, if individual)

N/A

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) ☐ All States

[AL]	[AK]	[AZ]	[AR]	[CA]	[CO]	[CT]	[DE]	[DC]	[FL]	[GA]	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	[MA]	[MI]	[MN]	[MS]	[MO]
[MT]	[NE]	[NV]	[NH]	[NJ]	[NM]	[NY]	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	[SC]	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) ☐ All States

[AL]	[AK]	[AZ]	[AR]	[CA]	[CO]	[CT]	[DE]	[DC]	[FL]	[GA]	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	[MA]	[MI]	[MN]	[MS]	[MO]
[MT]	[NE]	[NV]	[NH]	[NJ]	[NM]	[NY]	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	[SC]	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) ☐ All States

[AL]	[AK]	[AZ]	[AR]	[CA]	[CO]	[CT]	[DE]	[DC]	[FL]	[GA]	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	[MA]	[MI]	[MN]	[MS]	[MO]
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[RI]	[SC]	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]

C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

1. Enter the aggregate offering price of securities included in this offering and the total amount already sold. Enter "0" if answer is "none" or "zero." If the transaction is an exchange offering, check this box ☐ and indicate in the columns below the amounts of the securities offered for exchange and already exchanged.

Type of Security	Aggregate Offering Price	Amount Already Sold
Debt	\$ -0-	\$ -0-
Equity	\$ 60 Mil.	\$ -0-
<input checked="" type="checkbox"/> Common <input type="checkbox"/> Preferred		
Convertible Securities (including warrants)	\$ -0-	\$ -0-
Partnership Interests	\$ -0-	\$ -0-
Other (Specify)	\$ -0-	\$ -0-
Total	\$ 60 Mil.	\$ -0-

Answer also in Appendix, Column 3, if filing under ULOE.

2. Enter the number of accredited and non-accredited investors who have purchased securities in this offering and the aggregate dollar amounts of their purchases. For offerings under Rule 504, indicate the number of persons who have purchased securities and the aggregate dollar amount of their purchases on the total lines. Enter "0" if answer is "none" or "zero."

	Number Investors	Aggregate Dollar Amount of Purchases
Accredited Investors	-0-	\$ -0-
Non-accredited Investors	-0-	\$ -0-
Total (for filings under Rule 504 only)	-0-	\$ -0-

Answer also in Appendix, Column 4, if filing under ULOE.

3. If this filing is for an offering under Rule 504 or 505, enter the information requested for all securities sold by the issuer, to date, in offerings of the types indicated, in the twelve (12) months prior to the first sale of securities in this offering. Classify securities by type listed in Part C - Question 1.

Type of offering	Type of Security	Dollar Amount Sold
Rule 505	-0-	\$ -0-
Regulation A	-0-	\$ -0-
Rule 504	-0-	\$ -0-
Total	-0-	\$ -0-

4. a. Furnish a statement of all expenses in connection with the issuance and distribution of the securities in this offering. Exclude amounts relating solely to organization expenses of the issuer. The information may be given as subject to future contingencies. If the amount of an expenditure is not known, furnish an estimate and check the box to the left of the estimate.

Transfer Agent's Fees	<input type="checkbox"/>	\$ -0-
Printing and Engraving Costs	<input type="checkbox"/>	\$ -0-
Legal Fees	<input type="checkbox"/>	\$ -0-
Accounting Fees	<input type="checkbox"/>	\$ -0-
Engineering Fees	<input type="checkbox"/>	\$ -0-
Sales Commissions (specify finders' fees separately)	<input type="checkbox"/>	\$ -0-
Other Expenses (identify)	<input type="checkbox"/>	\$ -0-
Total	<input type="checkbox"/>	\$ -0-

C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

b. Enter the difference between the aggregate offering price given in response to Part C - Question 1 and total expenses furnished in response to Part C - Question 4.a. This difference is the "adjusted gross proceeds to the issuer."

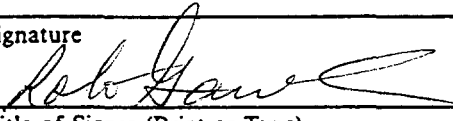
\$ 60 Mil.

5. Indicate below the amount of the adjusted gross proceeds to the issuer used or proposed to be used for each of the purposes shown. If the amount for any purpose is not known, furnish an estimate and check the box to the left of the estimate. The total of the payments listed must equal the adjusted gross proceeds to the issuer set forth in response to Part C - Question 4.b above.

	Payments to Officers, Directors, & Affiliates	Payments To Others
Salaries and fees	<input type="checkbox"/> \$ <u>16.4 Mil</u>	<input type="checkbox"/> \$ <u>100,000</u>
Purchase of real estate	<input type="checkbox"/> \$ <u>-0-</u>	<input type="checkbox"/> \$ <u>40 Mil.</u>
Purchase, rental or leasing and installation of machinery and equipment	<input type="checkbox"/> \$ <u>-0-</u>	<input type="checkbox"/> \$ <u>20,000</u>
Construction or leasing of plant buildings and facilities	<input type="checkbox"/> \$ <u>-0-</u>	<input type="checkbox"/> \$ <u>-0-</u>
Acquisition of other businesses (including the value of securities involved in this offering that may be used in exchange for the assets or securities of another issuer pursuant to a merger)	<input type="checkbox"/> \$ <u>-0-</u>	<input type="checkbox"/> \$ <u>-0-</u>
Repayment of indebtedness	<input type="checkbox"/> \$ <u>-0-</u>	<input type="checkbox"/> \$ <u>-0-</u>
Working capital	<input type="checkbox"/> \$ <u>-0-</u>	<input type="checkbox"/> \$ <u>3,480,000</u>
Other (specify):	<input type="checkbox"/> \$ <u>-0-</u>	<input type="checkbox"/> \$ <u>-0-</u>
.....	<input type="checkbox"/> \$ <u>-0-</u>	<input type="checkbox"/> \$ <u>-0-</u>
.....	<input type="checkbox"/> \$ <u>-0-</u>	<input type="checkbox"/> \$ <u>-0-</u>
Column Totals	<input type="checkbox"/> \$ <u>16.4 Mil.</u>	<input type="checkbox"/> \$ <u>43.6 Mil.</u>
Total Payments Listed (column totals added)	<input type="checkbox"/> \$ <u>60 Mil.</u>	

D. FEDERAL SIGNATURE

The issuer has duly caused this notice to be signed by the undersigned duly authorized person. If this notice is filed under Rule 505, the following signature constitutes an undertaking by the issuer to furnish to the U.S. Securities and Exchange Commission, upon written request of its staff, the information furnished by the issuer to any non-accredited investor pursuant to paragraph (b)(2) of Rule 502.

Issuer (Print or Type)	Signature	Date
AIFAM ASSOCIATES EQUITY, Inc.		<u>5-01-04</u>
Name of Signer (Print or Type)	Title of Signer (Print or Type)	
Robert Gandy	CEO/President	

ATTENTION

Intentional misstatements or omissions of fact constitute federal criminal violations. (See 18 U.S.C. 1001.)

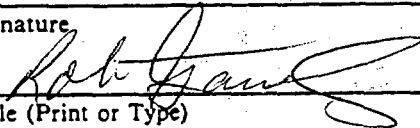
E. STATE SIGNATURE

1. Is any party described in 17 CFR 230.252(c), (d), (e) or (f) presently subject to any of the disqualification provisions of such rule? ☐ Yes ☒ No

See Appendix, Column 5, for state response.

2. The undersigned issuer hereby undertakes to furnish to any state administrator of any state in which this notice is filed, a notice on Form D (17 CFR 239.500) at such times as required by state law.
3. The undersigned issuer hereby undertakes to furnish to the state administrators, upon written request, information furnished by the issuer to offerees.
4. The undersigned issuer represents that the issuer is familiar with the conditions that must be satisfied to be entitled to the Uniform limited Offering Exemption (ULOE) of the state in which this notice is filed and understands that the issuer claiming the availability of this exemption has the burden of establishing that these conditions have been satisfied.

The issuer has read this notification and knows the contents to be true and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person:

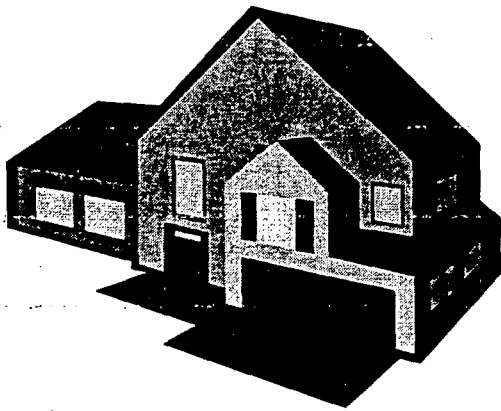
Issuer (Print or Type) AIFAM ASSOCIATES EQUITY, Inc.	Signature 	Date 5-01-04
Name (Print or Type) Robert Gandy	Title (Print or Type) CEO/President	

Instruction:

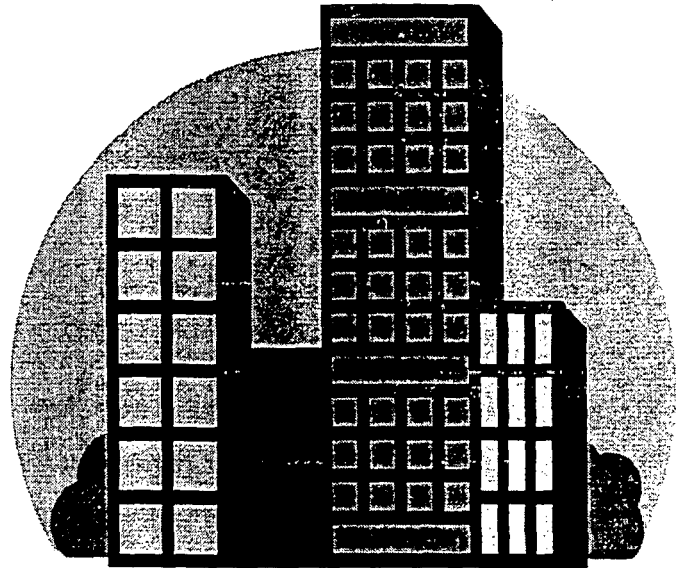
Print the name and title of the signing representative under his signature for the state portion of this form. One copy of every notice on Form D must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

AIFAM ASSOCIATES EQUITY, Inc.

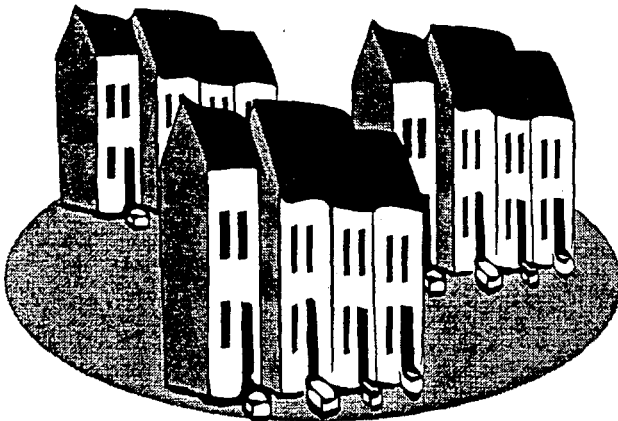
Financial Prospectus



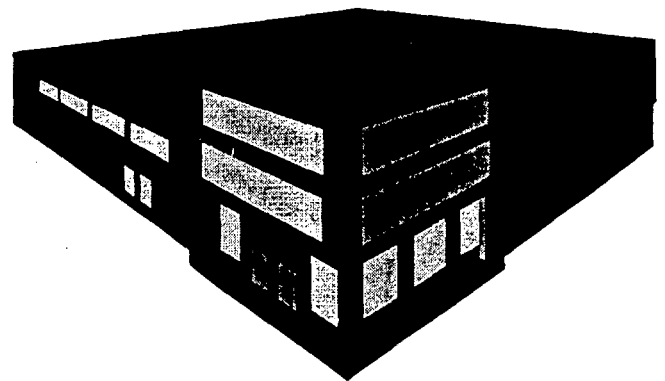
Homes



Office Buildings



Apartment Complexes



Shopping Centers

Investment Objective:

AIFAM Associates Equity, Inc., is a Texas real estate investment trust formed pursuant to the provisions of the Texas Real Estate Investment Trust Act, V.A.C.S Chap. 3 Art. 6138A, and has the following as its purpose:

To purchase, hold, lease, manage, sell, exchange, develop, sub-divide, and improve real property and interests in real property and in general, to carry on any other business and do any other acts in connection with the foregoing and to have and exercise all powers conferred by the law of the State of Texas upon Real Estate Investment Trusts.

Plan of Operation:

AIFAM Associates Equity, Inc., management team has a unique acquisition strategy which targets bank foreclosed residential and commercial properties for lease and resale. These properties known as REO's are usually purchased from a bank for the foreclosed mortgage amount, which is frequently, lower than the appraisal value of property. We also intend to acquire properties from the Resolution Trust Corporation and FDIC, which acts as receiver and liquidator of bank, foreclosed properties of insolvent institutions.

Most of our acquisitions will be based upon a tax sheltered strategy known as 1031 under the tax code, like-kind property exchanges, utilizing a leveraged transaction of stock swap for property. Our acquisitions are further sheltered from state sales tax through use of Texas Resale Certificate.

When deemed suitable for our investment portfolio, the company will acquire prime real estate such as hospitality suites, office buildings, and apartment complexes.

Our investment portfolio will consist of the following:

1. Residential Properties up to 1,000 homes priced at \$100,000 max.
2. Shopping strip centers up to 1 mil. Sq. ft. priced at \$16 sq. ft. max.
3. Apartment complexes up to 1,000 units priced at \$10,000 per unit max.
4. Office buildings up to 1 mil. Sq. ft. priced at \$14 sq. ft. max.

Total portfolio size \$40 mil. In income producing properties.

We will use reputable realtors and property management companies for lease and resale of properties.

Management Controls:

Our management team will conduct property analysis on each piece of property prior to acquisition, cash flow analysis, property inspection, and property rehabilitation analysis. Once property is acquired for lease or resale our management team will maintain monthly income record, mortgage loan record, and expense allocation summary.

We will maintain tight expense control and budgeting to maximize shareholder value. Financial Reports will be disseminated to shareholders of record quarterly.

Market Analysis:

In the residential housing market the latest data suggest home sales will set a new record this year while housing starts are running at a 17 – year high. In mid – 2000, the rate on a 30 – year mortgage was running as high as 8.64%; today's rate is hovering around 6%. Cheaper mortgages opened the housing market to more buyers. House hunters have responded strongly to the fall in rates. Sales of existing homes have been increasing all year, jumping to an annual rate of 6.47 million. The Mortgage Bankers Assn., forecasts the 30 – year fixed rate will rise to 6.4% by mid – 2004.

In the residential apartment market rental rates are on the rise averaging \$1,000 per month and up on two and three bedroom dwellings. In the commercial property market lease rates average \$18 - \$22 per sq. ft. annually, which is a lucrative return on investment.

Most REIT's invest in the acquisition of prime real estate, while we specialize in the sub – prime market of foreclosed properties. There are over 300 REIT's operating in the United States. REIT's assets total more than \$200 billion. Approximately 70 percent of REIT's stocks are listed on national stock exchanges:

- New York Stock Exchange – 172 REIT's
- American Stock Exchange – 31 REIT's
- Nasdag Stock Exchange – 17 REIT's
- Over – the – Counter Market – 3 REIT's

There are dozens of REIT's not traded on the stock exchange, such as our company. Protecting shareholders equity is the reason our management team decided to make a non – public offering.

In our opinion, private placement stock offerings such as this one provide greater stability of share price since it is priced at par value. However, not providing the liquidity of public markets, visibility, and stock growth potential. We wanted to offer an investment vehicle that pass dividend income to shareholders on a quarterly basis, while shielding their shares from market volatility.

The company by – laws mandate 90% net profits be distributed to shareholders in the form of dividends quarterly, while retaining 10% net profits for operating capital. Our goal is to maximize shareholder value!

REIT's have returned an annual average of 19% over the past three years, versus the S&P- 500 stock index, which lost approx. 5.5% each year.

Diversified REIT Competition					
Company	Stock Price*	Div. Div.	Div. Yield	Div. as% of cash flow**	Property Sector
Equity Office Properties Trust	\$29.78	\$2.00	7.1%	61%	Office
Equity Residential	\$30.60	\$1.73	5.8%	76%	Residential
Kimco Realty	\$48.70	\$2.28	5.1%	77%	Retail
Liberty Property Trust	\$43.66	\$2.42	6.4%	79%	Industrial

*Mar. 4, 2004 **2003 Data: Morningstar, Standard & Poor's, Business Week, USA Today

ANNUAL CONSOLIDATED FINANCIAL PROJECTIONS

2004 - 2008

Balance Sheet

Assets	2004	2005	2006	2007	2008
Cash (Operating Capital)	\$ 3,880,000.00	\$ 6,650,000.00	\$ 7,279,000.00	\$ 7,975,900.00	\$ 8,747,490.00
Real Estate Properties	\$ 40,000,000.00	\$ 42,000,000.00	\$ 44,100,000.00	\$ 46,305,000.00	\$ 48,620,250.00
Equipment	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Prepaid Expenses	\$ 16,100,000.00	\$ 16,100,000.00	\$ 16,100,000.00	\$ 16,100,000.00	\$ 16,100,000.00
Total Assets	\$ 60,000,000.00	\$ 64,770,000.00	\$ 67,499,000.00	\$ 70,400,900.00	\$ 73,487,740.00

Liabilities & Shareholders Equity

Current Liabilities:

Payroll	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00
Shareholders Equity	\$ 59,600,000.00	\$ 64,370,000.00	\$ 67,099,000.00	\$ 70,020,900.00	\$ 73,087,740.00
(3 mil. Shares@\$20 par)					
Total Liabilities & Shareholders Equity	\$ 60,000,000.00	\$ 64,770,000.00	\$ 67,499,000.00	\$ 70,420,900.00	\$ 73,487,740.00

ANNUAL CONSOLIDATED FINANCIAL PROJECTIONS

2004 - 2008

Income Statement

	2004	2005	2006	2007	2008
Funds From Operations	\$ 70,000,000.00	\$ 77,000,000.00	\$ 84,700,000.00	\$ 93,170,000.00	\$ 102,487,000.00
Less: Operating Expenses 3%	\$ (2,100,000.00)	\$ (2,310,000.00)	\$ (2,541,000.00)	\$ (2,795,100.00)	\$ (3,074,610.00)
Less: Gen. Admin. Expense	\$ (400,000.00)	\$ (400,000.00)	\$ (400,000.00)	\$ (400,000.00)	\$ (400,000.00)
Less: Maintenance Expenses	\$ (1,000,000.00)	\$ (1,500,000.00)	\$ (2,000,000.00)	\$ (2,500,000.00)	\$ (3,000,000.00)
Total Income	\$ 66,500,000.00	\$ 72,790,000.00	\$ 79,759,000.00	\$ 87,474,900.00	\$ 96,012,390.00
Net Profit	\$ 66,500,000.00	\$ 72,790,000.00	\$ 79,759,000.00	\$ 87,474,900.00	\$ 96,012,390.00

Retained Earnings 10%	\$ 6,650,000.00	\$ 7,279,000.00	\$ 7,279,000.00	\$ 8,747,490.00	\$ 9,601,239.00
Dividends Payable 90%	\$ 59,600,000.00	\$ 64,370,000.00	\$ 67,099,000.00	\$ 70,020,900.00	\$ 73,087,740.00

R.O.I.	111%	113%	118%	124%	131%
E.P.S.	\$22.16	\$24.26	\$26.58	\$29.15	\$32.00
P/E	0.9	0.8	0.7	0.6	0.6

* Expect real estate acquisitions to grow 5% annually over the next five years.

* REIT's that distribute 90% of net profits exempt from federal income tax.

* Expect funds from operations to grow 10% annually over the next five years.

Expense Summary

Executive Compensation:

President: \$100,000 annually, 800,000 founder shares.

Vice-President/Treasurer: \$50,000 annually.

Contracted Services: Business consultant \$100,000 lump payment.

Staff Payroll: \$250,000 annually.

Operating Capital: \$3,880,000 will be utilized for property management expenses, closing cost and operating expenditures.

Equipment Purchase: \$20,000 will be utilized for office equipment.

Real Estate Acquisitions: \$40,000,000 proceeds from sale of stock or stock swap for property, will be utilized to acquire properties for our investment portfolio.

The company has entered into repurchase stock agreements with the president of the company of 400,000 shares within 180 days of operation.

The company will also enter into repurchase stock agreements at a premium in transactions involving stock swap for property acquisitions.

Executive Summary

CEO/President – Robert Gandy

Formerly CEO/Investment Banker – Investment Bankers Corporation, 15 years management experience

Dean/Chairman – Graduate School of Small Business Development, Inc.

Disciplines: Corporate Finance/Business Admin./Liberal Arts

Specialized Skills: Securities Law, Business Law, Finance

Management Style: Charismatic, Authoritarian, Motivator, and Innovator.

CFO/VP/Treasurer – Bridgette Wilkins

Masters Business Administration – extensive background experience in accounting, management and marketing.

Disciplines: Business Admin./Accounting

Specialized Skills: Formerly Securities Licensed

Management Style: Strong budgetary and financial controls, fiscal discipline and corporate governance.

Tentative Offering:

The tentative offering is to raise \$40 million through the sale of 2,000,000 shares common stock at \$20 per share price. The offering is made pursuant to SEC Reg. D Rule 506, exempt transactions, V.A.C.S. Title 19, Art. 581 – 5 of the Texas Blue Sky Laws, which exempts this offering from securities registration. This is a private placement offering made to qualified accredited investors, institutional investors such as pension fund managers, professional money managers, banks, trust and insurance companies.

There is presently no public market for these securities and the purchaser may not be able to liquidate the investment. There is no cusip number for these securities, because there is only one class of securities offered and no secondary trading market. This company is newly formed with no operating history.

Note: The U.S. Securities & Exchange Commission, and the State of Texas Securities Board does not pass upon the merits of or give its approval to any securities offered or terms of the offering, nor does it pass upon the accuracy or completeness of any offering circular or other selling literature. The commission has not made an independent determination that the securities hereunder are exempt from registration.

Transfer Agent:

AIFAM ASSOCIATES EQUITY, Inc.

1911 Long Mont. Circle
Missouri City, Texas 77489

Attn: Transfer Agent

The company treasurer acts as transfer agent for all transactions involving transfer of registered securities through sales, exchanges, or resale of securities.

To transfer securities, shareholders or his agent must send the original endorsed stock certificate to the above transfer agent via registered U.S. Mail.

The treasurer will mail new certificate per shareholders instructions. Lost or stolen certificates should be reported immediately to local and federal SEC officials and notice to the company. Replacement certificate will be issued thereafter.